# GOVERNMENT OF INDIA
# FINANCE
# LOK SABHA

STARRED QUESTION NO:86
ANSWERED ON:17.08.2007
CLOSURE OF BRANCHES OF REGIONAL RURAL BANKS
Chaudhary Shri Pankaj;Gangwar Shri Santosh Kumar

**Will the Minister of FINANCE be pleased to state:**

(a) whether the Government has decided to close down some branches of the Regional Rural Banks in various parts of the country; and

(b) if so, :he details thereof alongwith the reasons therefor?

## Answer

FINANCE MINISTER (SHRI P. CHIDAMBARAM )

(a) and (b): A statement is laid on the Table of the House.

STATEMENT FOR LOK SABHA STARRED QUESTION NO. 86 FOR 17TH AUGUST, 2007 REGARDING CLOSURE OF BRANCHES OF REGIONAL RURAL BANKS TABLED BY SHRI SANTOSH GANGWAR AND SHRI PANKAJ CHOWDHARY:

(a and b) : - Government has not taken any decision to close down some branches of Regional Rural Banks (RRBs). RRBs are permitted to merge/relocate/open/convert branches into satellite offices subject to certain conditions as contained in the Reserve Bank of India Master Circular No.BL.BC/II/03.05.90-A/2006-07 dated 11th July, 2006. This circular, inter alia, states that RRBs should obtain prior approval of their Board of Directors before applying to NABARD/RBI for opening of new branches. The Empowered Committees for RRBs constituted by the Reserve Bank of India at its regional offices would examine the application and make its recommendations and the Reserve Bank will dispose of such applications. For shifting/ conversion of a branch into a satellite office, the RRB itself can take a decision subject to certain conditions. Sometimes, it may become necessary to shift a branch; sometimes it may become necessary to convert a branch into a satellite office but this is permitted after ensuring that the office functions at fixed premises on specified days and all types of banking transactions are conducted in such office.